

REalliance Economy Community Interest Company
FINANCIAL STATEMENTS

31 MARCH 2010

Company Registration Number 6516017

REalliance Economy Community Interest Company

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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REalliance Economy Community Interest Company

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 MARCH 2010

Registered company name REalliance Economy Community Interest Company

Registered office 57 Prince Street, Bristol, BS1 4QH

Company registration number 6516017

Directors

Mark Cook Chair from 1 September 2010

Ray Georgeson Chair until 1 September 2010

Sally Reynolds

Matthew Thomson

Cath Kibbler

Paul Smith Resigned 30 October 2009

Andy Moore Resigned 19 January 2010

Lucy Danger (Treasurer) Appointed 19 January 2010

Craig Anderson Appointed 19 January 2010

Senior staff

Chief Executive Tim Adkin (17 August 2009 – 21 January 2010)

Marian Barber (4 March 2010 onwards)

Managing Director (pro tem) Matthew Thomson (until 31 Jul 2009)

Programme Manager Emma Hallett

Auditor

Burton Sweet Chartered Accountants, Thornton House, Richmond Hill, Clifton, Bristol
BS8 1AT

Bankers

Unity Trust, 9 Brindley Place, Birmingham, B1 2HB

REalliance Economy Community Interest Company

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2010

The directors are pleased to present their Report and Accounts for REalliance Economy Community Interest Company for the year ended 31 March 2010.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association of the company.

Structure, Governance and Management

REalliance Economy CIC (REalliance) is a Community Interest Company, formed on 27 February 2008, originally named REconomy Community Interest Company; we changed our name on 10 December 2008.

REalliance CIC is owned by four "A" shareholders:

- Community Composting Network
- Community Recycling Network UK
- London Community Recycling Network
- Furniture Re-use Network

Each of these shareholders appoints a director to the REalliance board. Additionally a minimum of three directors independent of the "A" shareholders are appointed by the board of directors following a strategic recruitment procedure. These "independent" directors are each paid a small honorarium.

During the accounting period, all strategic decisions were taken by the board of directors and a "programme management group" took specific decisions relating to the running of the Third Sector Capacity Building programme. REalliance has used its "A" shareholders as subcontractors to deliver the Third Sector Capacity Building Programme. This has enabled REalliance to access a wide range of expertise from within the staff of its network partners.

At each board meeting the board of directors reviews a Risk map outlining the major risks to which REalliance is exposed, as identified by the directors and senior staff. Where practical, systems or procedures have been established to manage those risks.

Objectives and Activities

Principal Activity

The principal activity of the company in the year under review was to act as a coordinator for the distribution of funds from WRAP Third Sector Capacity Building partnership.

The Company's objective is to carry on activities which benefit the community and in particular (without limitation) to promote and develop the capacity of social purpose organisations engaging in sustainable resource management (especially re-use, recycling, waste minimisation and composting activities) so as to:-

- (a) protect and safeguard the environment and help to relieve poverty and social exclusion;

REalliance Economy Community Interest Company

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2010

- (b) provide waste minimisation, re-use, recycling, re-processing, composting and other resource management facilities and services;
- (c) advance community and local economic development, citizenship, voluntarism and other social economy solutions to resource challenges; and
- (d) advance public education about economic, environmental, social and other matters related to the reduction, re-use, recycling and composting of household, commercial and industrial waste as a means of materials conservation and the reduction of greenhouse gas emissions.

REalliance works for the benefit of social purpose organisations which work in waste reduction, re-use, composting and recycling and the people living in the areas that these groups serve. REalliance aims to support these organisations by providing them with development support, guidance and information and by ensuring their needs are represented to and understood by appropriate agencies.

During the accounting period, REalliance's major activity was to run the second year of a three year Third Sector Capacity Building programme. This programme is run in partnership with the Waste and Resources Action Programme (WRAP). Additionally REalliance was a partner in the Lottery Funded BASIS I-SEE project. REalliance's role is to deliver a project on supporting third sector consortia to form and deliver public sector services more effectively.

Third Sector Capacity Building Programme

During the second year the programme had three work areas:

- Organisational Development
- Network Development
- Market Development

The aim of the programme is to build on WRAP's successes in transforming the UK recycling industry and draw on the experience, knowledge and unique networks of REalliance CIC, and offer valuable opportunities for third sector organisations to attract investment, grow, become more sustainable and win a bigger share of the waste management market.

Achievements and Performance

During the year the main focus of REalliance's activity has been to deliver the second year third sector capacity building programme. The programme is delivered by staff from the four partner networks, who have shared ways of working. All four partners continue to report that they benefit from closer working.

Organisational Development

During the year REalliance supported 107 third sector organisations to help them develop and provide better services. Each piece of support was tailored to meet the needs and aspirations of the individual organisation, support typically took the form of a grant to pay for an interim manager, consultants to provide assistance for a specific piece of work or support

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REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2010

directly from a member of the REalliance team of case managers. Examples of the support offered include:

- Support to Aire Valley Recycling to develop their commercial collections service;
- Providing an experienced Interim Manager to focus on new business/promotion at the *FareShare 1st* social enterprise, helping increase the number of food-industry clients recruited and secured through pro-active marketing, and thereby increasing the amount of 'fit for purpose' food diverted from entering the waste stream through being redistributed through the FareShare Network and increasing sustainable income for the organisation; and
- REalliance Case Managers provided support to Emmaus Greenwich to enable them to set up a Bulky Re-use collections contract with London Borough of Lewisham.

Network Development

This strand of the programme works to develop the ability of third sector organisations to work together. Specifically its objectives are to:

- improve collaboration, knowledge and skill sharing between third sector organisations;
- introduce new players in the third sector resource recovery sector; and
- strengthen the support and development infrastructure which facilitates these activities.

During the year we supported a number of projects under this strand including:

- Support for the National Community Wood Recycling Project to set up four new wood recycling projects around the country, establish a national collection service for waste wood and identify potential entrepreneurs to set up projects in areas of the country where there is little activity;
- Support to enable re-use organisations to access re-usable items from household waste and recycling centres; and
- Support to develop the London Re-use network – a plan for an integrated re-use infrastructure across London. This is an innovative project which has gone on to receive a further £8million in funding from the London Waste and Recycling Board.

Market Development

The market development strand had a number of objectives which collectively seek to increase third sector activity, namely:

- Increase corporate, public and third sector awareness and take-up of third sector resource management services;
- Identify new markets for third sector resource management services, and assist third sector organisations in entering them; and
- Influence market mechanisms to improve operating conditions for third sector organisations e.g. regulatory and legislative frameworks, commissioning and contracting arrangements, supply chain access and linkages.

Market development projects supported during 2009/10 include:

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YEAR ENDED 31 MARCH 2010

- Brokering contracts between FRNE and commercial companies, particularly in the hospitality and retail sectors to enable furniture re-use organisations to access re-usable products for sale in their shops;
- Support to pilot the provision of re-use and recycling services to healthcare providers by third sector organisations; and
- Research into the market potential of re-used carpet for third sector organisations.

A further part of our Market Development work was to run REalliance's first national conference. Revaluing Resources was held on 1st and 2nd of December 2009 at the Business Design Centre in London. Attended by 150 people, the event focused on the value that the third sector brings to resource management, showcasing best practice and promoting new avenues of business development for the sector. The two days staged over 14 plenary speakers including politicians representing the three main parties, a panel debate and 16 workshops. Plenary presentations were designed to be of interest to third sector organisations and local authorities and specific workshops were targeted at these groups.

Investment for Growth

In December REalliance and WRAP launched the Investment for Growth report. This is a "state of the sector" report. Some of the key findings cover the barriers and opportunities for resource recovery third sector organisations seeking to deliver service contracts for local authorities. Economic, social and environmental benefits of working with third sector organisations are also identified for both in-house and commercial contractors to extend the range of services they can offer in response to increasingly demanding service specifications.

Impact of the Third Sector Capacity Building Programme

Our monitoring and evaluation work shows that by the end of March 2010, the organisations supported by the programme had:

- Diverted an additional 21,737 tonnes of waste away from landfill;
- Increased the turnover of supported organisations by £3.57 million;
- Prevented the emission of 30,121 tonnes of carbon dioxide equivalent; and
- Provided 1445 more value added placements and which lead to 152 individuals finding full-time jobs.

Impacts of the support provided will continue to be monitored throughout the third year of the programme after which a full analysis will be completed.

I-SEE

During the year the REalliance has been a partner in the three year Investing in Social Enterprise Expansion (I-SEE) Programme run by the Social Enterprise Coalition and funded by the Big Lottery's BASIS programme. The emphasis of REalliance's work has been to enable social enterprises working in the community resource and recycling field to secure public sector contracts through the formation of successful consortiums. During the year REalliance supported work with potential consortia in London, Greater Manchester and Surrey. So far this has led to two successful consortia being established in London as part of the London Reuse Network.

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YEAR ENDED 31 MARCH 2010

Financial Review

REalliance generated a surplus of £10,348 after taxation during the year and at the year end there were unrestricted reserves of £58,367. The principal funding source for the company during the year has been the Third Sector Capacity Building Partnership with WRAP.

Financial Procedures

During the year, REalliance adopted detailed financial policies and procedures to ensure its finances are accountably and prudently run, and that its financial activity is informed by its environmental and social policies.

As part of this commitment, REalliance will publish the proportion of its non-salary expenditure that is spent with third sector organisations. During 2009/10 REalliance spent £288,081 on services from third sector organisations. The total expenditure for the year was £529,196 and of this £114,731 related to staff costs (see note 6), which leaves a total of £414,465 "non-salary expenditure". The proportion of this spent with third sector organisations is therefore 69%.

Reserves Policy

The directors of REalliance have adopted the following reserves policy statement and procedure:

REalliance aims to hold reserves in order to remain operational and financially viable. The reserve target relates to the company's monthly operating expenditure (minimum three months and maximum six months).

At each board meeting the directors will review the monthly operating costs against the reserves held. In the event of reserves reducing below the minimum target the directors will decide what action to take, including reducing costs or increasing allocation of expenditure to programmes. If reserves exceed the maximum target then the directors will decide what action to take. This may include revising the maximum target upwards, dividends to shareholders, actions to develop the company or one-off grants to appropriate organisations. The board will take into account the level of reserves held when approving the annual business plan and budget.

The level of free reserves at the year end represents three months' operating expenditure and is within the company's target range.

Plans for the future

The final year of the Third Sector Capacity Building programme in partnership with WRAP ends on 31 March 2011; REalliance is on track to deliver the programme targets and will prepare an all-years assessment report. The key activity for the year will be securing additional funding streams in order to deliver outputs that go beyond the waste agenda in order to benefit the health and well-being of individuals as well as the environment.

During 2010/11 REalliance will be working closely with its partners and networks in order to influence the government agenda and shape a new strategy based on emerging priorities. To this end a reception at the Houses of Parliament will be held in October, hosted by John

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REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2010

Penrose MP, Minister for Tourism and Heritage. The networking event includes speakers from two social enterprises that have received support from the Third Sector Capacity Building programme. Representatives from all three sectors will be attending, including major waste contractors, small charities, the NHS and NGOs as well as members of parliament, ministers and senior local government officers.

REalliance will continue to give support to third sector organisations that are in the business of recycling, re-use and composting. These activities provide affordable furniture to low-income families, provide training and employment skills to long-term unemployed and provide healthy living options as well as reducing the amount of material going to landfill.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint Burton Sweet as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 487(2) of the Companies Act 2006.

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REPORT OF THE DIRECTORS

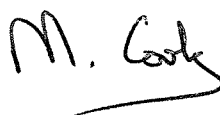
YEAR ENDED 31 MARCH 2010

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
57 Prince Street
Bristol
BS1 4QH
Bedminster

Signed on behalf of the directors



M COOK
Chair to the Board of Directors

Approved by the directors on 24th September 2010

REalliance Economy Community Interest Company

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS

YEAR ENDED 31 MARCH 2010

We have audited the financial statements of REalliance Economy Community Interest Company for the year ended 31 March 2010, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and on the basis of the accounting policies set out on pages 13 and 14.

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REalliance Economy Community Interest Company
INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS
YEAR ENDED 31 MARCH 2010

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2010 and of its results for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



EDWARD MARSH (Senior Statutory Auditor)
For and on behalf of
Burton Sweet
Chartered Accountants
& Statutory Auditor

Thornton House
Richmond Hill
Clifton
Bristol BS8 1AT

7th October 2010

REalliance Economy Community Interest Company

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

YEAR ENDED 31 MARCH 2010

		Unrestricted Funds Year to 31-Mar-10 £	Restricted Funds Year to 31-Mar-10 £	Total Funds Year to 31-Mar-10 £	Total Funds Period from 27-Feb-08 to 31-Mar-09 £
	Note				
Incoming resources					
<i>Incoming resources from activities</i>					
WRAP Third Sector Capacity Building partnership		498,261	-	498,261	475,801
Big Lottery grant income		-	22,125	22,125	-
Activities for generating funds		25,085	-	25,085	-
Other income		498	-	498	377
Total incoming resources		523,844	22,125	545,969	476,178
Resources expended					
<i>Costs of activities</i>	2	486,969	23,010	509,979	412,801
<i>Governance costs</i>	4	19,217	-	19,217	7,384
Total resources expended		506,186	23,010	529,196	420,185
Net income/(expenditure) on ordinary activities before taxation	5	17,658	(885)	16,773	55,993
Taxation on net income/(expenditure) on ordinary activities	7	6,425	-	6,425	8,859
Net movement in funds		11,233	(885)	10,348	47,134
Total funds at the start of the year		47,134	-	47,134	-
Total funds at the end of the year		58,367	(885)	57,482	47,134

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

All movements are in unrestricted funds.

The notes on pages 13 to 19 form part of these financial statements

REalliance Economy Community Interest Company

BALANCE SHEET

AT 31 MARCH 2010

	Note	31-Mar-10		31-Mar-09	
		£	£	£	£
Fixed assets					
Tangible assets	8		6,155		8,456
Current Assets					
Debtors	9	21,428		81,576	
Cash at bank		65,393		65,664	
		<u>86,821</u>		<u>147,240</u>	
Creditors : Amounts falling due within one year	10	<u>(34,197)</u>		<u>(108,558)</u>	
Net Current Assets			<u>52,624</u>		<u>38,682</u>
Total assets less current liabilities			<u>58,779</u>		<u>47,138</u>
Provisions for liabilities					
Deferred taxation	11		(1,293)		-
Net assets			<u>57,486</u>		<u>47,138</u>
Funds and share capital					
Restricted	14	(885)		-	
Unrestricted	14	<u>58,367</u>		<u>47,134</u>	
			57,482		47,134
Called-up equity share capital	16		4		4
			<u>57,486</u>		<u>47,138</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors on 24th September 2010 and are signed on their behalf by:


M COOK
Chair to the Board of Directors

Company registration number 6516017

The notes on pages 13 to 19 form part of these financial statements

REalliance Economy Community Interest Company

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005). Whilst the company is not a registered charity, these financial statements have been prepared on this basis in order to show a true and fair view in accordance with Companies Act 2006 section 396 (4).

b) Incoming resources

All incoming resources are recognised when receivable and included in the income and expenditure account exclusive of value added tax.

Grants, including grants for the purchase of fixed assets, are recognised in the income and expenditure account as they become receivable. Grants received in the accounting period in respect of future accounting periods are deferred until those periods.

Activities for generating funds comprises income from conferences and training events.

c) Resources expended

Resources expended are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to that activity exclusive of VAT. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resource.

Governance costs include the costs of governance arrangements which relate to the general running of the company. These costs are associated with constitutional and statutory requirements and include and costs associated with the strategic management of the company's activities.

d) Fixed Assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

e) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Computer database – 25% straight line basis
- Computer equipment – 50% straight line basis

f) Fund accounting

Unrestricted funds contain accumulated surplus and deficits on general funds and can be used in accordance with the company objects at the discretion of the Board of Directors.

Restricted funds represent monies received for specific purposes. All income and expenditure relating to the restricted funds' movements is included in the income and expenditure account. Further details of restricted funds are shown in note 15.

g) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the income and expenditure account.

REalliance Economy Community Interest Company

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1 Accounting policies (cont)

h) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account as incurred.

i) Deferred taxation

Deferred tax is recognised on respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to more, or a right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be a suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

j) Irrecoverable value added tax (VAT)

The Big Lottery grant is not taxable income for VAT purposes therefore any VAT incurred on expenditure relating to this grant is irrecoverable. VAT on directly incurred costs has been excluded from the calculation of recoverable VAT. Irrecoverable VAT on overhead costs allocated to grant expenditure has been calculated based on the proportion of total overhead costs incurring VAT.

2 Costs of activities

	Unrestricted Funds Year to 31-Mar-10 £	Restricted Funds Year to 31-Mar-10 £	Total Funds Year to 31-Mar-10 £	Total Funds Period from 27-Feb-08 to 31-Mar-09 £
<i>Third Sector Capacity Building</i>				
Direct costs	447,286	-	447,286	409,270
Support costs allocated	39,683	-	39,683	3,531
<i>Investing in Social Enterprise Expansion</i>				
Direct costs	-	20,570	20,570	-
Support costs allocated	-	2,440	2,440	-
	486,969	23,010	509,979	412,801

REalliance Economy Community Interest Company

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

3 Support costs

	Unrestricted Funds Year to 31-Mar-10 £	Restricted Funds Year to 31-Mar-10 £	Total Funds Year to 31-Mar-10 £	Total Funds Period from 27-Feb-08 to 31-Mar-09 £
Office expenses	26,281	2,440	28,721	151
Depreciation	3,336	-	3,336	2,819
Insurance	1,745	-	1,745	561
Recruitment costs	3,801	-	3,801	-
Staff training	3,063	-	3,063	-
Loss on disposal of fixed asset	1,001	-	1,001	-
Entertainment	260	-	260	-
Bank charges	179	-	179	-
Sundry costs	17	-	17	-
	<u>39,683</u>	<u>2,440</u>	<u>42,123</u>	<u>3,531</u>

4 Governance costs

	Unrestricted Funds Year to 31-Mar-10 £	Restricted Funds Year to 31-Mar-10 £	Total Funds Year to 31-Mar-10 £	Total Funds Period from 27-Feb-08 to 31-Mar-09 £
Audit and accountancy	3,500	-	3,500	2,900
Board Honoraria	4,000	-	4,000	4,000
Directors' expenses	1,945	-	1,945	459
Board Meeting costs	9,739	-	9,739	-
Other	33	-	33	25
	<u>19,217</u>	<u>-</u>	<u>19,217</u>	<u>7,384</u>

5 Net income/(expenditure) for the year

This is stated after charging:

	Year to 31-Mar-10 £	Period from 27-Feb-08 to 31-Mar-09 £
Depreciation	3,336	2,819
Loss on disposal of fixed assets	1,001	-
Auditor's remuneration:		
- Audit fees	1,800	1,500
- Other services	1,700	1,400
Reimbursement of expenses for five of the directors	1,945	459
Board honoraria for three of the directors	<u>4,000</u>	<u>4,000</u>

REalliance Economy Community Interest Company

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

6 Staff costs and numbers

The aggregate payroll costs were:

	Year to 31-Mar-10 £	Period from 27-Feb-08 to 31-Mar-09 £
Wages and salaries	97,761	1,337
Social security costs	9,870	76
Pension contributions	2,398	-
Temporary staff	4,702	1,157
	<u>114,731</u>	<u>2,570</u>

No employee received emoluments of more than £60,000.

The average number of employees in the year was as follows:

	Year to 31-Mar-10 Number	Period from 27-Feb-08 to 31-Mar-09 Number
Management & administration	<u>4</u>	<u>-</u>

7 Taxation on ordinary activities

Analysis of charge in the year:

	Year to 31-Mar-10 £	Period from 27-Feb-08 to 31-Mar-09 £
Current tax:		
UK Corporation tax based on results for the year at 21% (period ending 31-Mar-09 - 21%)	4,008	8,859
Under provision in prior year	1,124	-
Total current tax	<u>5,132</u>	<u>8,859</u>
Deferred tax:		
Origination and reversal of timing differences (note 11):		
Capital allowances	1,293	-
	<u>6,425</u>	<u>8,859</u>

REalliance Economy Community Interest Company

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

8 Tangible fixed assets

	Computer Equipment £	Total £
Cost		
At 1 April 2009	11,275	11,275
Additions	2,036	2,036
Disposals	(1,001)	(1,001)
At 31 March 2010	<u>12,310</u>	<u>12,310</u>
Depreciation		
At 1 April 2009	2,819	2,819
Charge for the year	3,336	3,336
Disposals	-	-
At 31 March 2010	<u>6,155</u>	<u>6,155</u>
Net book value		
At 31 March 2010	<u>6,155</u>	<u>6,155</u>
At 31 March 2009	<u>8,456</u>	<u>8,456</u>

9 Debtors

	31-Mar-10 £	31-Mar-09 £
Trade Debtors	6,799	63,869
Other debtors	-	88
Called up share capital	4	4
Prepayments	670	5,350
VAT	13,955	12,265
	<u>21,428</u>	<u>81,576</u>

10 Creditors: amounts falling due within one year

	31-Mar-10 £	31-Mar-09 £
Trade creditors	17,688	56,410
Other creditors	2,886	-
Accruals and deferred income	5,174	42,940
Taxation and social security	3,317	349
Corporation tax	5,132	8,859
	<u>34,197</u>	<u>108,558</u>

Included in other creditors are contributions to defined contribution schemes payable at the balance sheet date of £2,046 (2009: £nil).

REalliance Economy Community Interest Company

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

11 Deferred taxation

The movement in the deferred taxation provision during the year was:

	Year to 31-Mar-10 £	Period from 27-Feb-08 to 31-Mar-09 £
Provision brought forward	-	-
Income and expenditure account movement arising during the year	1,293	-
Provision carried forward	<u>1,293</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	31-Mar-10 £	31-Mar-09 £
Excess of taxation allowances over depreciation on fixed assets	1,293	-
	<u>1,293</u>	<u>-</u>

12 Operating leases

At 31 March 2010 the Association had annual commitments under non-cancellable operating leases as set out below.

Operating leases which expire:	31-Mar-10 £	31-Mar-09 £
Between two and five years	1,142	1,142
	<u>1,142</u>	<u>1,142</u>

13 Related party transactions

The community interest company was under the control of Community Composting Network, London Community Recycling Network, Furniture Reuse Network and Community Recycling Network throughout the year.

Included within accruals is a board honoraria amount of £4,000 (2009: £4,000) owed to three of the directors. Travel and accommodation expenses of £1,945 (2009: £459) were reimbursed to five of the directors.

During the year London Community Recycling Network received £105,398 (2009: £107,224) and was recharged £1,280 (2009: £nil); the net balance owed to them at the year end was £12,995 (2009: £6,150).

During the year Furniture Reuse Network received £146,641 (2009: £144,819) and was recharged £1,355 (2009: £nil); the net balance owed by them at the year end was £nil (2009: £15,968).

During the year Community Recycling Network received £87,791 (2009: £117,021) and was recharged £1,650 (2009: £nil); the net balance owed by them at the year end was £nil (2009: £4,000).

During the year Community Composting Network received £15,117 (2009: £47,891) of which £nil (2009: £687) was outstanding at the year end.

The payments to the four Networks relate to project consultancy costs for Third Sector Capacity Building work.

REalliance Economy Community Interest Company

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

14 Movement in funds

	At 01-Apr 2009 £	Incoming resources £	Outgoing resources £	At 31-Mar 2010 £
Unrestricted funds				
General funds	47,134	523,844	(512,611)	58,367
Restricted funds	-	22,125	(23,010)	(885)
Total funds	<u>47,134</u>	<u>545,969</u>	<u>(535,621)</u>	<u>57,482</u>

Restricted funds shown above relate entirely to the Big Lottery Fund Grant which funds the partnership programme, Investing in Social Enterprise Expansion (I-SEE). REalliance is one of five partners involved in the I-SEE programme, the lead partner being the Social Enterprise Coalition. At 31 March 2010 there is a small deficit in the fund but this is expected to be reversed during the course of the programme. It is a three year programme finishing in June 2012; any unspent funds at the end of the programme will be returned to the funder.

15 Analysis of net assets between funds

	Tangible Fixed assets £	Other Net assets £	Total £
Unrestricted funds			
General funds	6,155	52,212	58,367
Restricted funds	-	(885)	(885)
	<u>6,155</u>	<u>51,327</u>	<u>57,482</u>

16 Share capital

	31-Mar-10 £	31-Mar-09 £
Authorised share capital:		
99,996 Ordinary shares of £1 each	99,996	99,996
4 A shares of £1 each	4	4
	<u>100,000</u>	<u>100,000</u>
Allotted and called up share capital:		
A shares of £1 each	4	4

**The following pages do not form part of the statutory financial statements
which are the subject of the auditors' report on pages 9 and 10.**

REalliance Economy Community Interest Company

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2010

	Total Funds Year to 31-Mar-10 £	Total Funds Period from 27-Feb-08 to 31-Mar-09 £
Incoming resources		
<i>Incoming resources from activities within objects</i>		
WRAP TSCB partnership	498,261	475,801
Grant income	22,125	-
Event income	25,085	-
Other earned income	498	377
Total incoming resources	545,969	476,178
Resources expended		
<i>Costs of activities</i>		
Wages and salaries	114,731	2,570
Other staff costs	13,138	-
Project consultancy	269,841	341,457
Other project costs	7,859	30,805
Conference & training event expenses	41,302	16,461
Publicity and marketing	11,379	17,084
Bad debt	2,208	-
Meeting costs	4,211	318
Membership	3,187	575
<i>Support costs</i>		
Office expense	28,721	151
Depreciation	3,336	2,819
Insurance	1,745	561
Recruitment costs	3,801	-
Staff training & development	3,063	-
Loss on disposal of fixed assets	1,001	-
Entertainment	260	-
Bank charges	179	-
Sundry costs	17	-
	509,979	412,801
<i>Governance</i>		
Audit	3,500	2,900
Board Honoraria	4,000	4,000
Board meetings	9,739	-
Directors expenses	1,945	459
Other	33	25
	19,217	7,384
Total resources expended	529,196	420,185
Net income	16,773	55,993

